GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1490
ANSWERED ON:09.12.2004
CORPORATE ENTITY FOR TRADE ACTIVITY BY GAIL
Gadhavi Shri Pushpdan Shambhudan

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Gas Authority of India Limited (GAIL) is floating a separate corporate entity for its trading activity in India and abroad;

(b) if so, the name of the new corporate entity and the reasons for creating such an organization; and

(c) the main activities which are likely to be handled by the new entity?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c): Yes, Sir. The proposed natural gas regulatory regime envisages unbundling of trading and transmission business. Therefore, GAIL proposes to separate trading and transmission of its gas activities. GAIL has engaged consultants to look at various options for business unbundling. It is only thereafter that the timing of the formation of the new entities and their main business activities will become clear.

At present, GAIL is not engaged in gas trading business in any overseas market.